

LOCAL BANKRUPTCY FORM 4004-2

UNITED STATES BANKRUPTCY COURT EASTERN DISTRICT OF PENNSYLVANIA

CHAPTER 12 and 13 DISCHARGE INFORMATION SHEET/Case &

I. OVERVIEW

The chapter 13 (*if appropriate chapter 12*) trustee (“trustee”) has reported to the Court that you have completed your plan payments. The Judges of this Court do not want you to miss any work time unnecessarily. Thus, instead of requiring that you attend a formal hearing to receive your discharge, you will be required only to review this information sheet. A separate copy has been mailed to your attorney.

II. SIGNIFICANCE OF YOUR DISCHARGE

A. THE MEANING OF THE WORD “DISCHARGE”

It is very important that you understand what debts you will be free of because of the discharge that you will be receiving. If you have any questions after you read this, please call your attorney.

When we say that a debt is discharged, we mean that it no longer exists. Since a discharged debt is no longer a debt, the person to whom you owed the money cannot try to collect it from you. If a particular debt is discharged in this bankruptcy, and the creditor continues to try to collect the money from you, you can take legal action against the creditor. If such a situation occurs, or if you receive any harassment from your creditors, you should contact your attorney immediately.

B. DEBTS THAT CAN BE DISCHARGED

It is critical that you understand which debts will be discharged in this bankruptcy. Debts that can be discharged share common characteristics. First, only debts owed at the time of the filing of your bankruptcy can be discharged—(There are certain exceptions to this rule which can be explained to you by your attorney). If you incurred more debt during the bankruptcy, that additional debt might not be discharged in this bankruptcy.

Second, a debt might not be discharged if it was not listed on the Schedules that you filed at the beginning of, or amended during, this bankruptcy.

Third, your plan must have contained some provision indicating how the debt will be treated under it.

Thus, if you have a debt that you owed prior to the filing of this bankruptcy, but you did not list it on your Schedules or did not include it in your plan, it might not be discharged. If you have such a debt, tell your attorney immediately.

C. DEBTS THAT ARE NOT DISCHARGED

Some debts are not discharged. Long term installment-type debt may not be discharged if the last payment on the debt is due after the date of your final plan payment, unless you make arrangements to pay the entire debt off under your plan. Alimony, support, or maintenance owed to a spouse, former spouse or child, will not be discharged. Student loans are not discharged unless you institute separate proceedings in bankruptcy court or perhaps some other court to assert that undue hardship would result from paying the loan. A fine or restitution obligation imposed as a sentence for a crime is not discharged. Certain other types of debts are also not discharged in chapter 13 cases.

D. LIEN AVOIDANCE AND REAFFIRMATION AGREEMENTS

If you want to AVOID A LIEN, you should do so BEFORE THE DISCHARGE ORDER IS SIGNED. Therefore, you should tell your attorney now if you want to do this. What this means is as **follows**:

a. Certain liens (judgments, levies, nonpurchase-money interests in household goods) can be eliminated entirely by asking the court do so.

b. Other liens, like mortgages, motor vehicle encumbrances, and purchase money security in other goods probably cannot be eliminated.

If you want to REAFFIRM A DEBT, which means that you will be legally obligated to repay the debt, even after discharge, you may need court approval in certain instances.

If you think that any of these agreements or motions should be filed in your case, or if you want additional information, contact your attorney.

III. AFTER YOU RECEIVE YOUR DISCHARGE

Under normal circumstances you will receive a copy of an order signed by the Judge granting your discharge within sixty (60) days. If you do not receive a copy of the order after sixty (60) days have elapsed, contact your attorney or the trustee. You should keep a copy of your Discharge Order, your Schedules, and your Plan with your other important papers.

This information is not “the law,” but rather a brief discussion of the significance of this phase of your bankruptcy. If you have any questions, please call your attorney.